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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 27, 2015 at 1:30 p.m.
State Capitol, Room 308

In consideration of
H.B. 277, H.D. 1
RELATING TO INFRASTRUCTURE.

HHFDC **supports** H.B. 277, H.D.1, which would provide counties with the option of using their community facilities district authority to establish a repayment mechanism for revenue bonds authorized under section 201H-72, HRS, to finance the development of infrastructure for affordable housing projects developed in that county.

The lack of available land with infrastructure is a significant barrier to affordable housing statewide. This bill would provide another potential financing option for the infrastructure needed to support affordable housing development.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Finance
Friday, February 27, 2015 at 1:30 P.M.
Conference Room 308, State Capitol**

RE: HOUSE BILL 277 HD1 RELATING TO INFRASTRUCTURE

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce of Hawaii (“The Chamber”) **supports** H.B. 277 HD1, which proposes to allow counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii housing finance and development corporation to help support infrastructure for affordable housing developments.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

Infrastructure capacity building will allow for more housing production. While government focuses on “affordable housing,” the Chamber believes that policy makers must take action to increase the overall supply of housing at all price points in Hawaii. The lack of supply and increasing demand is the basic reason why the median price of a new house on Oahu was almost \$720,000.00 in the fourth quarter of 2014. A healthy housing market allows people to purchase entry level housing and then “step up” to a different price range as their income and family situation changes.

We encourage the Legislature to approve H.B. 277 HD1 as it allows for alternative methods to fund infrastructure capacity building.

Thank you for the opportunity to express our views on this matter.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Finance Friday, February 27, 2015 1:30 p.m. State Capitol - Conference Room 308

RE: HOUSE BILL NO. 277 H.D. 1 RELATING TO INFRASTRUCTURE

Chair Luke, Vice-Chair Nishimoto, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 277 H.D. 1, which proposes to allow counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii Housing Finance and Development Corporation to help support infrastructure for affordable housing developments.

Infrastructure capacity building will encourage more housing production. While government focuses on "affordable housing," BIA-Hawaii believes that policy makers must take action to increase the overall supply of housing at all price points in Hawaii. The continued lack of supply and increasing demand is a major reason why the median price of a new house on Oahu hit \$719,500.00 in the fourth quarter of 2014. A healthy housing market allows people to purchase entry level housing and then "step up" to different price ranges as their income and family situations changes.

Thank you for the opportunity to express our views on this matter.